

**Letter of Findings: 01-20160077
Individual Income Tax
For the Year 2012**

NOTICE: IC § 6-8.1-3-3.5 and IC § 4-22-7-7 require the publication of this document in the Indiana Register. This document provides the general public with information about the Department's official position concerning a specific set of facts and issues. This document is effective on its date of publication and remains in effect until the date it is superseded or deleted by the publication of another document in the Indiana Register. The "Holding" section of this document is provided for the convenience of the reader and is not part of the analysis contained in this Letter of Findings.

HOLDING

Indiana Individual failed to meet his burden of establishing that the proposed assessment of additional Indiana income tax was incorrect; the federal transcript provided by Individual verified that the Department's calculation of adjusted gross income was correct.

I. Individual Income Tax - Federal Adjustment.

Authority: IC § 6-3-1-3.5(a); IC § 6-8.1-5-1(c); Indiana Dep't of State Revenue v. Rent-A-Center East, Inc., 963 N.E.2d 463 (Ind. 2012); Lafayette Square Amoco, Inc. v. Indiana Dep't of State Revenue, 867 N.E.2d 289 (Ind. Tax Ct. 2007); [45 IAC 3.1-1-1](#).

Taxpayer argues that the Department's assessment of additional Indiana income tax was unjustified.

STATEMENT OF FACTS

Taxpayer is an Indiana resident who files Indiana individual income tax returns. Taxpayer filed a 2012 Indiana tax return. That return resulted in a refund. Taxpayer subsequently received notice of an "adjustment" to his corresponding federal income tax return. That adjustment had the effect of increasing his federal adjusted gross income.

Taxpayer filed an amended (IT-40X) 2012 Indiana return which reversed the federal adjustment. The Indiana Department of Revenue ("Department") "denied" the return in a letter dated December 2015.

The letter stated:

You need to submit proof of your federal adjusted gross income (ex: record of accounts or accounts transcript from the IRS) along with your updated state return and IT-40X and all supporting documents.

The Department's decision not to accept the amended return resulted in an assessment of \$143 in additional Indiana income tax. Taxpayer disagreed with the assessment and submitted a protest to that effect. An administrative hearing was conducted by phone during which Taxpayer explained the basis for his protest. This Letter of Findings results.

I. Individual Income Tax - Federal Adjustment.

DISCUSSION

The issue is whether the Department was justified in its decision rejecting Taxpayer's amended 2012 Indiana income tax return.

The definition of Indiana adjusted gross income is found at [45 IAC 3.1-1-1](#) which provides as follows:

Adjusted Gross Income for Individuals Defined. For individuals, "Adjusted Gross Income" is "Adjusted Gross Income" as defined in Internal Revenue Code § 62 modified as follows:

- (1) Begin with gross income as defined in section 61 of the Internal Revenue Code.
- (2) Subtract any deductions allowed by section 62 of the Internal Revenue Code.
- (3) Make all modifications required by [IC 6-3-1-3.5\(a\)](#). See IC § 6-3-1-3.5(a).

Since Taxpayer is challenging the assessment of additional income tax, it is the Taxpayer's burden of establishing that the proposed assessment was wrong. As stated in IC § 6-8.1-5-1(c), "The notice of proposed assessment is prima facie evidence that the department's claim for the unpaid tax is valid. The burden of proving that the proposed assessment is wrong rests with the person against whom the proposed assessment is made." *Indiana Dep't of State Revenue v. Rent-A-Center East, Inc.*, 963 N.E.2d 463, 466 (Ind. 2012); *Lafayette Square Amoco, Inc. v. Indiana Dep't of State Revenue*, 867 N.E.2d 289, 292 (Ind. Tax Ct. 2007). Thus, a taxpayer is required to provide documentation explaining and supporting his or her challenge that the Department's position is wrong.

Taxpayer's written protest - in its entirety - states:

I disagree with this decision of denial and I want to file a request with the Department of Revenue for an administrative hearing on this matter.

Taxpayer explained that the 2012 federal transcript provided would verify that the amount of adjusted gross income stated on the amended return was correct. Taxpayer is mistaken. The federal transcript establishes that Taxpayer's federal adjusted gross income was \$79,689 which is precisely the same number that the Department employed in assessing Taxpayer additional Indiana income tax.

The Department is unable to agree that Taxpayer has met his burden under IC § 6-8.1-5-1(c) of establishing that the proposed assessment of additional Indiana income tax was incorrect.

FINDING

Taxpayer's protest is respectfully denied.

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